



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
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GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

February 14, 2012

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

31 February 14, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**RESCIND AWARD OF A PUBLIC WORKS CONSTRUCTION CONTRACT  
AND AWARD THE PUBLIC WORKS CONSTRUCTION CONTRACT  
TO ANOTHER BIDDER  
ENCINA ROAD – 250 FEET WEST OF MUERDAGO ROAD  
IN THE UNINCORPORATED COMMUNITY OF FERNWOOD  
(SUPERVISORIAL DISTRICT 3)  
(3 VOTES)**

### SUBJECT

This action is to rescind the award of a public works construction contract to Mr. Reza Mohamedi, an individual, dba Southland Construction, and award it to Pima Corporation, dba Advanced Construction, and authorize the Director of Public Works or her designee to execute the contract for work in the unincorporated community of Fernwood.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Rescind the award of the public works construction contract to Mr. Reza Mohamedi, an individual, dba Southland Construction.
2. Award and authorize the Director of Public Works or her designee to prepare the construction contract in the form previously approved by County Counsel, execute the contract, and establish the effective date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance filed by the contractor for Project ID No. RDC0015267 – Encina Road - 250 feet west of Muerdago Road, to construct a retaining wall and roadway pavement damaged during the 2004-05 winter storm disaster, in the unincorporated community of Fernwood, to Pima Corporation dba, Advanced Construction, in the amount of \$366,020.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to obtain approval from your Board to rescind the award of the contract to a bidder that has not commenced work of the contract, award this contract to the next lowest bidder, and authorize the Director of Public Works (Director) or her designee to execute the contract and establish the effective contract date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance certificate filed by contractor for this project.

On June 14, 2011, Agenda Item 44, your Board approved the project, adopted the plans and specifications, and called for bids to be received on July 12, 2011. On September 6, 2011, Agenda Item 39, your Board approved awarding this project to Mr. Reza Mohamedi, an individual, dba Southland Construction (Southland), who had submitted the lowest bid. On January 4, 2012, Southland informed the Department of Public Works (Public Works) that it is going out of business and will not be able to perform the contract. Consequently, Southland requested relief from its contract obligation.

Public Works' staff met with Mr. Mohamedi of Southland. Because no work has yet been performed, and hence no money has been paid or is owed by the County of Los Angeles (County), and because of timing and other exigencies of performing the work associated with this project, Public Works believes that it is in the County's best interest to rescind the award to Southland and award the contract to the second lowest responsive and responsible bidder, Pima Corporation, dba Advanced Construction (Advanced). Advanced has agreed to keep its bid open for additional time so that it can be awarded the contract at its bid price. Southland consents to the rescission of the contract award and has agreed in writing not to seek any monetary recovery from the County. Legally, rescission would have the effect of the contract being treated as if it had never been awarded to Southland. Accordingly, in that no work has been undertaken under the contract, it is our view, with the concurrence of County Counsel, that the contractor's failure and refusal to perform the contract is the functional equivalent of a successful bidder refusing to execute a contract. Under the Public Contract Code, where a public entity deems it to be in its best interest, it may, on the refusal or failure of the successful bidder to execute a contract, award the contract to the second lowest bidder.

The project description, call for bids and bid opening date, tabulation of bids, and financial information are included in the enclosure. The certified record of receipt of bids and the original bid proposal for the project are also enclosed.

The recommended construction contract is necessary to execute a Board directed and approved Public Works project in support of operational missions. Your Board's approval of the recommended contract award and the subsequent execution of the contract will ensure the timely completion of the project.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). Awarding this contract will provide improved infrastructure to better serve the public and will enhance the quality of life in the affected community.

### **FISCAL IMPACT/FINANCING**

These actions will have no impact to the County General Fund.

The enclosure includes the amount of the recommended contract as compared with the engineer's estimate, the other bids received, and more detailed fiscal and financial information. Advanced's bid is \$10,662 higher than Southland's, which equals 3 percent of the project cost. In light of Southland's inability to perform the contract and especially due to the fact that Southland has not yet commenced work, Public Works believes that it is in the County's best interest to proceed with Advanced's slightly higher bid rather than to seek to enforce the contract award, go through the necessary steps to find Southland in default, and then work with Southland's performance bond surety to complete the project.

The project cost will be financed with State Proposition 1B Transportation Bond funds under the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006. This project is included in the Third Supervisorial District's Road Construction Program in the Fiscal Year 2011-12 Road Fund Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract agreement will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractors are in compliance with the requirements of the Chief Executive Officer and your Board.

The award of the contract will not result in unauthorized disclosure of confidential information and will be in full compliance with Federal, State, and County regulations. The contract contains terms and conditions supporting your Board's ordinances, policies, and programs including but not limited to: County of Los Angeles' (County) Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and County's Defaulted Property Tax Reduction Program Ordinance, Los Angeles County Code, Chapter 2.206; and the standard Board directed clauses that provide for contract termination or renegotiation.

The State Public Contract Code requires the County to award construction contracts to a responsible contractor with the lowest responsive bid, which is defined as the firm that: (1) submits the bid with the lowest cost; (2) is deemed by the County to be responsive to specific criteria under the solicitation including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a responsible bidder by exhibiting the capability, capacity, experience, trustworthiness, and financial wherewithal to perform the work required under the bid solicitation.

To ensure the contracts are awarded to a responsible contractor with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the Contractor's State

License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by each respective contractor was considered before making this recommendation to award.

The plans and specifications include the contractual provisions, methods, and material requirements necessary for this project and are on file with Public Works.

### **ENVIRONMENTAL DOCUMENTATION**

On June 14, 2011, Agenda Item 44, your Board found this project statutorily exempt from the provisions of the California Environmental Quality Act.

### **CONTRACTING PROCESS**

The contract was solicited on an open-competitive basis in accordance with the provisions of the State Public Contract Code.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

To further increase contractor awareness of contracting opportunities with Public Works, each of these projects was listed on the County website for upcoming bids.

Public Works will review and approve the Faithful Performance and payment bonds filed by the contractor.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This construction contract will result in improved public works infrastructure in the community where the work is scheduled.

### **CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

The Honorable Board of Supervisors

2/14/2012

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Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:JTS:lg

Enclosures

c: Chief Executive Office (Rita Robinson)  
County Counsel  
Executive Office  
Internal Services Department (Countywide  
Contract Compliance)

AWARD OF CONTRACT  
February 14, 2012

PROJECT ID NO. RDC0015267 – Encina Road – 250 Feet West of Muerdago Road (in the unincorporated community of Fernwood), Supervisorial District 3

TYPE OF WORK: Construction of a retaining wall and roadway pavement damaged during the 2004-05 winter storm disaster and the performance of other appurtenant work.

CALL FOR BIDS DATE: June 14, 2011 (Agenda Item 44)

BID OPENING DATE: July 12, 2011

BID SUMMARY:

Low	Pima Corporation, dba Advanced Construction 2001 South Barrington Avenue Suite 312 Los Angeles, California 90025 (310) 231-7060	\$366,020.00
2	United Engineering & Construction, Inc.	\$372,064.50
3	*LH Engineering Co., Inc.	\$385,482.50
4	*4-Con Engineering, Inc.	\$387,056.50
5	Malcolm Drilling Company, Inc.	\$388,555.00
6	+Garcia Juarez Construction, Inc.	\$398,230.00
7	John S. Meek Company, Inc.	\$525,467.00
8	+Clarke Contracting Corporation	\$559,674.00

\*MWBE  
+LSBE

Reza Mohamedi, an individual dba Southland Construction submitted a bid in the amount of \$355,358 and was awarded the contract on September 6, 2011. On January 4, 2012, Southland Construction informed Public Works that it is going out of business and will not be able to perform the work of the contract. Consequently, Southland requested relief of its contract obligation. Staff from Public Works met with Mr. Reza Mohamedi of Southland Construction and recommends that Southland Construction be relieved of its obligations and the award of the contract be rescinded. County Counsel (Julia Weissman) concurs with this recommended approach.

FINANCIAL INFORMATION:

Amount of estimate	\$347,120.00
Amount of recommended contract	\$366,020.00
Amount of recommended contract above estimate	\$ 18,900.00

The amount of the recommended contract is 5.4 percent above the estimate.

The project cost will be financed with State Proposition 1B Transportation Bond funds under the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006. This project is included in the Third Supervisorial District's Road Construction Program in the Fiscal Year 2011-12 Road Fund Budget.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE DATA:

Advanced Construction has no MWBE subcontractors/suppliers under this contract.

ENVIRONMENTAL IMPACT:

On June 14, 2011, Agenda Item 44, your Board found this project statutorily exempt.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 60 working days. It is estimated the work will start in May 2012 and be completed in August 2012.

MAB:lg